



Governor's Office of Economic Development

State of Utah

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Utah Health Exchange Reaches Launch Goal Early *Initial participation goal reached faster than expected*

Salt Lake City - On August 19, 2009 the Utah Health Exchange (exchange.utah.gov) opened for employer enrollment with a wave of strong interest from small employers in Utah, meeting the initial launch goal for participation in under two weeks.

As part of Utah's approach to health system reform, the State of Utah has developed and is implementing the internet based Utah Health Exchange. The Exchange has three core functions: 1) provide consumers with helpful information about their health care and health care financing, 2) provide a mechanism for consumers to compare and choose a health insurance policy that meets their needs, and 3) provide a standardized electronic application and enrollment system.

Initially available to a limited number of small employers (2-50 lives) on a first-come, first-served basis, the Exchange had enrolled 136 employer groups with a total of 2333 employees after less than two weeks. Coverage for this limited number of small employers will be effective January 1st 2010. Additional employer groups will be able to register in the Spring of 2010, after the technology platform is fully tested in the real world environment. Employers who wish to receive notification when the Exchange reopens to additional participants may visit the site at exchange.utah.gov and provide contact info by clicking on the "Employers" link. Large employers (over 50 lives) may enter the market in Fall 2011.

The Utah Health Exchange is a critical component in moving towards a consumer-based system. In order for a defined contribution system to function efficiently, consumers need a single shopping point where they can evaluate their options and execute an informed purchasing decision. For a consumer-based market to succeed, brokers, agents, employers, and individuals must have access to reliable information to allow consumers to make side-by-side comparisons of their various insurance plan options. The Exchange allows employers the opportunity to simplify benefits management by

offering employees a “defined contribution”, or specified amount of pretax dollars set aside for the purchase of an employee-selected health plan from a menu of various plans and prices. The Exchange also allows employees, rather than employers, to compare and select the health plan that works best for their individual needs and circumstances.

As more employers choose to offer health benefits on a defined contribution basis via the Exchange, increasing numbers of workers will be able to take their coverage with them from job to job. Increased portability means greater continuity of care and a reduction in the number of uninsured.

By statute, all plans offered through the Exchange must meet federal standards for employer-sponsored coverage; thus, participating employers and their workers can be confident the insurance they choose will be quality coverage from responsible carriers. Furthermore, it is expected the element of consumer choice in this market will put downward pressure on prices and while simultaneous putting upward pressure on quality. This combination constitutes the most effective means whereby consumers may maximize value in their health coverage.

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About the Utah Governor’s Office of Economic Development

The Governor’s Office of Economic Development (GOED) charter is based on Governor Gary Herbert’s commitment to economic development statewide. The mandate for this office is to provide rich business resources for the creation, growth and recruitment of companies to Utah and to increase tourism and film production in the state. GOED accomplishes this mission through the administration of programs that are based around industries or “economic clusters” that demonstrate the best potential for development. GOED utilizes state resources and private sector contracts to fulfill its mission.